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Federal Communications Commission

DA 98-2568

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Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)	
)	
Bourbeuse Telephone Company,)	
Assignor,)	CC Docket No. 98-210
)	
and)	
)	
Fidelity Telephone Company,)	
Assignee,)	
)	
Joint Applications for Consent to Assignment)	
of Authority under Section 214 of the)	
Communications Act)	

MEMORANDUM OPINION AND ORDER

Adopted: December 21, 1998

Released: December 21, 1998

By the Acting Deputy Chief, Common Carrier Bureau:

1. On October 2, 1998, Fidelity Telephone Company (Fidelity) and Bourbeuse Telephone Company (Bourbeuse) (collectively, Applicants) filed a Joint Application for Consent to Assignment of Authority to Fidelity by Bourbeuse of its section 214 authority with respect to its local exchange operations.¹ The Applicants further request a waiver of section 63.90 of the Commission's rules.² The Application was placed on public notice on November 25, 1998,³ and no comments were received. As discussed below, we grant the Application and deny the waiver request.

2. Fidelity and Bourbeuse provide local exchange service in Missouri.⁴ Bourbeuse is the local exchange carrier for one exchange - Gerald - serving approximately 2,000 access lines, and Fidelity is the local exchange carrier for eight exchanges - Berger, Japan, Lyon,

¹ Joint Application for Consent to Assignment of Authority under Section 214 of the Communications Act, filed Oct. 2, 1998 (Application).

² 47 C.F.R. 63.90. Section 63.90 imposes certain publication requirements on a carrier intending to "close, or otherwise discontinue the operation or reduce the hours of service at a telephone exchange."

³ Fidelity Telephone Company and Bourbeuse Telephone Company Joint Application for Consent to Assignment of Authority under Section 214 of the Communications Act, CC Docket No. 98-210, Public Notice, DA 98-2409, rel. Nov. 25, 1998.

⁴ Application at 1.

New Haven, Owensville, Spring Bluff, Stanton, and Sullivan - serving approximately 12,000 access lines.⁵ Both companies are wholly-owned subsidiaries of Fidelity Communications Company.⁶ After the merger, Fidelity will be the surviving corporation.⁷

3. According to the Applicants, by combining the Gerald exchange, which is adjacent to Fidelity's service area, with the exchanges served by Fidelity, Fidelity will be able to take advantage of network and operating efficiencies, which will reduce costs and enable it to better serve the customers in the Gerald exchange.⁸ Currently, Fidelity employees perform all necessary work to operate Bourbeuse; Bourbeuse has no separate employees.⁹ Fidelity employees must keep track of all time spent on Bourbeuse matters, and those costs are charged to Bourbeuse.¹⁰ The Applicants point out that the proposed merger will improve efficiency because there will no longer be inter-company transfers to account for, and will result in simplified accounting and tax reporting.¹¹ In addition, they claim that the proposed merger will provide customers of Fidelity and Bourbeuse with a larger calling area and reduce rates for local service for most of Fidelity's and Bourbeuse's customers.¹²

4. The Applicants also request a waiver of section 63.90 of the Commission's rules, "to the extent the rule actually applies"¹³ to this proposed merger. According to the Applicants, as a result of the proposed merger, service will not be closed or discontinued at the Gerald exchange, but instead will be provided by a different carrier, Fidelity.¹⁴ Given this assertion, we find that section 63.90 is inapplicable to the proposed merger and, therefore, a waiver is unnecessary.

5. From the face of the application, there appears to be no reason to doubt the accuracy of the factual representations made therein. Based on the factual representations made in the application, we find no legal or policy basis on which to oppose the application.

⁵ *Id.* at 1-2.

⁶ *Id.* at 2.

⁷ *Id.* at 1-2.

⁸ *Id.*

⁹ *Id.*

¹⁰ *Id.*

¹¹ *Id.*

¹² *Id.* The Applicants state that the Missouri Public Service Commission has approved the merger of Fidelity and Bourbeuse.

¹³ *Id.* at 3.

¹⁴ *Id.*

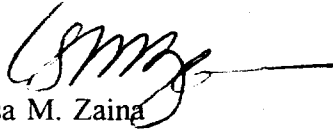
We therefore conclude that the assignment of Bourbeuse's section 214 authority to Fidelity will serve the public interest, convenience and necessity.

6. ACCORDINGLY, IT IS ORDERED, that pursuant to sections 4(i) and (j), 214(a), and 214(c) of the Communications Act of 1934, as amended, 47 U.S.C. §§ 154(i), 154(j), 214(a), 214(c), and authority delegated thereunder pursuant to sections 0.91 and 0.291 of the Commission's rules, 47 C.F.R. §§ 0.91 and 0.291, and section 1.3 of the Commission's rules, 47 C.F.R. § 1.3, the application filed by Bourbeuse Telephone Company and Fidelity Telephone Company IS GRANTED.

7. IT IS FURTHER ORDERED, that pursuant to Sections 4(i) and (j), authority delegated pursuant to Sections 0.91 and 0.291 of the Commission's rules, 47 C.F.R. §§ 0.91 and 0.291, and Section 1.3 of the Commission's rules, 47 C.F.R. § 1.3, the Applicants' waiver IS DENIED.

8. IT IS FURTHER ORDERED, that this Memorandum Opinion and Order SHALL BE EFFECTIVE upon release, in accordance with 47 C.F.R. § 1.103.

FEDERAL COMMUNICATIONS COMMISSION


Lisa M. Zaina
Acting Deputy Chief, Common Carrier Bureau